



# *News Release*

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## **CNL INCOME PROPERTIES INC. ANNOUNCES ACQUISITIONS**

*-- Hawaiian Falls waterparks, Palmetto Hall Plantation Club and Route 66 Harley-Davidson dealership acquisitions strengthen CNL Income Properties position as a strategic owner of lifestyle real estate--*

(ORLANDO, Fla.) May 1, 2006 – CNL Income Properties Inc., a real estate investment trust (REIT) focused on lifestyle properties, announced today several acquisitions adding to its real estate portfolio. These acquisitions include the Route 66 Harley-Davidson dealership in Oklahoma, the Palmetto Hall Plantation Club in South Carolina, and two Hawaiian Falls-branded waterparks in Texas. CNL Income Properties also announced its intent to acquire a fourth property, Bretton Woods Mountain Resort in New Hampshire.

“These properties are a perfect fit with our lifestyle real estate portfolio,” says CNL Income Properties’ President Byron Carlock. “Our research shows this is an ideal time to acquire these assets and strengthen our position as a premier owner of lifestyle real estate. We believe this investment strategy supports the growing demand for families to balance their lives and pursue their recreational passions.”

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## *CNL Income Properties Acquisition Update/p.2*

### Acquisition Details:

#### **Route 66 Harley-Davidson**

The Route 66 Harley-Davidson Dealership, located in Tulsa, Okla., is a 46,000 square-foot facility that includes the approximately 3,500 square-foot “5 & Diner” restaurant, conference and event facilities. The dealership was named the 2006 Grand Prize winner among power sport retailers in the United States by *Dealernews*. The facility also includes Harley-Davidson merchandise, parts and service departments. CNL Income Properties purchased the property for \$6.5 million and a long-term, triple-net lease agreement was reached with the current owner of the property, Route 66 Real Estate, LLC.

#### **Palmetto Hall Plantation Club**

The Palmetto Hall Plantation Club property in Hilton Head, S.C. includes two 18-hole full-length championship golf courses designed by Arthur Hills and Robert Cupp. The club also includes a golf maintenance center, a 10-acre practice facility, a full-service clubhouse with golfer’s grill and a fine dining room with banquet facilities. CNL Income Properties purchased the property for approximately \$7.6 million and entered into a long-term, triple net lease with Heritage Golf Group, which will operate the club. Heritage Golf Group is the owner and operator of a portfolio of high-end daily fee, resort, and private golf facilities around the country, including many well-known properties spanning California, Texas, Georgia, Florida and South Carolina.

#### **Hawaiian Falls**

Hawaiian Falls The Colony and Hawaiian Falls Garland, located near Dallas, Texas, are outdoor waterpark attractions that sit on 7.5 and 10 acres, respectively. Both facilities offer water slides, rivers, children’s play areas and wave attractions. Both waterparks operate May through September and have entered into a licensing and merchandising agreement with Big Idea Inc. for daily appearances at the parks by certain Veggie Tales characters in 2006. CNL Income Properties acquired the water parks for a combined purchase price of approximately \$12.1 million and reached lease agreements with HFE Horizon, LP to operate the attractions.

## *CNL Income Properties Acquisition Update/p.3*

### **Bretton Woods**

CNL Income Properties also announced its intent to acquire Bretton Woods Mountain Resort in New Hampshire. The acquisition would include the Mt. Washington Hotel, the Bretton Arms Country Inn, the Lodge at Bretton Woods and the ski area. Bretton Woods possesses New Hampshire's largest ski area with 434 acres of skiable downhill terrain and 100 kilometers of groomed cross-country and snowshoeing trails. The historic Mount Washington Hotel hosted the Bretton Woods International Monetary Conference, where the International Monetary Fund and the pegging of currencies were established.

### **About CNL Income Properties Inc.**

CNL Income Properties Inc. is a real estate investment trust that owns a portfolio of 15 properties in the United States and Canada in the lifestyle and recreation sectors. Headquartered in Orlando, Fla., CNL Income Properties specializes in the acquisition of golf courses, ski resorts, marinas, campgrounds, merchandise marts, destination retail and entertainment centers, attractions and parking facilities, among other asset types. For more information, visit [www.cnl.com](http://www.cnl.com).

### **Forward-Looking Statements**

This press release may contain forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts, including, among others, statements regarding CNL Income Properties' future financial positions, future acquisitions, business strategy, projected levels of growth, projected costs and projected financing needs, are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of CNL Income Properties members of their management teams, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements. Many of these factors are beyond the companies' abilities to control or predict. Such factors include, but are not limited to, competition in the companies' markets, changes in family vacation patterns and consumer spending habits, the companies' abilities to attract a significant number of guests from their target markets, the companies' abilities to develop certain properties or further develop existing properties on a timely or cost-efficient basis, the companies' abilities to manage growth, potential accidents or injuries at their properties, their abilities to achieve or sustain profitability, downturns in their industry segment and extreme weather conditions, increases in operating costs and other expense items and costs, uninsured losses or losses in excess of the companies' insurance coverage, and the companies' ability to protect their intellectual property and the value of their brands.

Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to CNL Income Properties or persons acting on their behalf are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and the companies undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless otherwise required by law.

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